

Aviation Group Client Update

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Contact: Lisa A. Harig, Partner
Washington DC Office
lhari@mklawdc.com
+1 703 247 5487

DOT ISSUES GUIDANCE ON AIR FARE ADVERTISEMENTS

Today, DOT issued a [Notice](#) providing guidance on the use of rounding in air fare advertisements. The Notice is intended to provide guidance to air carriers, foreign air carriers, and ticket agents regarding compliance with the full-fare disclosure mandate of the [Enhancing Airline Consumer Protections Final Rule](#) ("Final Rule").

The effective date of full fare and other advertising requirements of the Final Rule was extended to January 24, 2012, and the time period for compliance with a portion of the full fare and other advertising requirements was further extended to January 26, 2012. The Final Rule requires that in all fare advertisements for passenger air transportation, a tour, or a tour component, the fare published by the vendor must represent the full amount payable by the customer. A recent review by DOT found a number of internet sites displaying fares in whole dollar amounts that represent a "rounding down" of the exact fare, while other sites state the exact fare or "round up" to the next dollar.

Pursuant to the guidance published today, in order to comply with DOT requirements, a seller of air transportation must state either the exact fare or round up to an amount greater than the exact fare in all fare displays. DOT considers any failure to show either the exact fare or to round up to an amount greater than the exact fare to constitute an unfair and deceptive trade practice and an unfair method of competition in violation of 49 U.S.C. § 41712 and 14 CFR 399.84. DOT will allow vendors 60 days to fix their sites before initiating an enforcement action on the basis of "rounding down" fare amounts.

We will continue to monitor developments regarding the Final Rule. If you have any questions regarding compliance with the requirements in the Final Rule or subsequent guidance published by DOT, please contact our office.

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McBreen & Kopko's Aviation Group represents air carriers, fixed base operators (FBOs), airport managers, aviation service providers, and business aircraft owners and operators on a wide range of aviation issues including regulatory matters, commercial transactions, aircraft finance matters, and bankruptcy and creditors' rights.